



STATE OF TENNESSEE
COMPTROLLER OF THE TREASURY

State Capitol
Nashville, Tennessee 37243-9034
(615) 741-2501

Justin P. Wilson
Comptroller

April 30, 2010

Dr. Jan Simek, Acting President
The University of Tennessee
831 Andy Holt Tower
Knoxville, Tennessee 37996-0180

Dear Mr. President:

I am reluctantly approving the request by the University of Tennessee to write off \$7,509,338 owed to the University of Tennessee's Health Science Center from the University of Tennessee Medical Group in Memphis.

I understand that the University will undertake a thorough and comprehensive evaluation of the management, operation, and future of the Medical Group and will carefully assess and document the risk of decisions being made concerning the operation of the Medical Group that are not in the best interest of the University. Written internal controls should be designed, implemented, and presented to the audit committee of the University to counter these risks. The University should provide effective oversight of the operations of the Medical Group and transactions between the Medical Group and the University should be transparent and completely and accurately recorded in the books and records of the University.

I know these problems preceded your service as interim president and I appreciate the fact that you have assured me that the University will devote the resources necessary to this matter and give it the priority it so urgently deserves.

Sincerely,


Justin P. Wilson

cc: Mr. James L. Murphy, III, Vice Chair
University of Tennessee Board of Trustees